



TravelTide

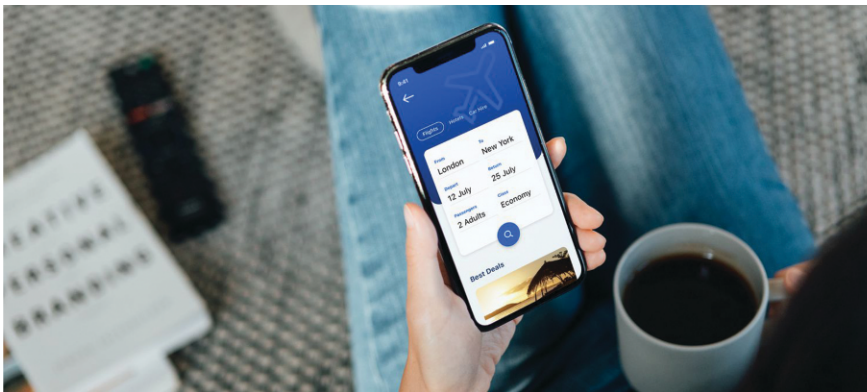
# A Customer Retention Strategy

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12 July 2024

## EXECUTIVE SUMMARY

To address the increasing demand for personalized customer experiences, TravelTide's marketing team is considering the creation of a customized rewards program. To support this effort, we performed a customer segmentation analysis, providing key insights into distinct customer preferences and behaviors. This data-driven strategy aims to establish a foundation for a more personalized and customer-focused rewards program, in line with TravelTide's commitment to offering exceptional travel experiences.



## OBJECTIVES

Our main objective was to identify and define customer segments based on their booking behaviors, particularly focusing on those who would likely value TravelTide's proposed perks. These segments are intended to serve as the basis for an upcoming rewards program, tailored to individual preferences.

## METHODOLOGY

We began the analysis by extracting raw data from four key tables using SQL. We then processed and analyzed this data in Tableau Public to create five distinct customer groups, each associated with a specific proposed perk.



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## Selecting Perk Qualified Users

Eligible users were those with at least 7 non-cancelled bookings (flight or hotel) since January 4, 2023. This cohort includes 5,998 users.

## Customer Segmentation Using Hypothesised Profiles

Next, we define five hypothesised profiles based on user booking behaviour to tailor our rewards program effectively. Based on experience and insights, eligible users were segmented into groups most likely to value specific perks. The rationale for each perk and its targeted user profile is outlined in Table below.

These profiles, highlighting the specific traits and behaviours that align with each proposed perk.

USER PROFILE	ASSIGNED PERK	DESCRIPTION
Family Travelers	Free Check-in bag	Family travelers with children often traveling with more than two bags and they would appreciate this perk.
Business Travelers	Priority Boarding	Business travelers usually have very tight schedules and by offering a Priority Boarding perk, would save time from waiting boarding lines and give them a more relaxed start to their journey.
Budget Travelers	Exclusive Discounts	Price-sensitive users utilising both flight and hotel services could be incentivized to increase frequency.
Luxury Travelers	Free transportation from the airport to the hotel	VIPs have the ability to spend much more money in their trips than other travelers and would appreciate a private transportation that would provide them with the convenience and comfort.
Unsure Travelers	Personalized travel planning assistance	This service would provide them with expert advice, recommendations, and support to help them make informed decisions about their travel plans and cancel less.



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## Recommendations

- Collect more customer feedback or reviews about their overall experience using the app.
- Improve the platform's interface for user groups with lower engagement by creating valuable content and interactive features to extend session duration.
- Gather more data for supervised learning / classification. This will help us understand more about customer behavior and make better suggestions on the right perks we should offer.
- Ask users to vote on their favorite perk after joining the reward program by offering them an upgraded perk.
- Run A/B tests of our results to find the most effective perks for users.